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THE INTERIM

The Monthly Report
of Legislative
Activity



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COMMITTEE ON INDIAN AFFAIRS

Committee Holds First Meeting...The Committee on Indian Affairs held its first meeting on Thursday, September 23 in Room 104 of the State Capitol. Rep. Bob Gervais was elected chairman and Sen. Jeff Weldon was elected vice-chairman.

Committee Hears from Tribal Chairman...Mickey Pablo, Tribal Chairman of the Confederated Salish and Kootenai Tribes, spoke to the Committee at the beginning of the meeting. He stressed the need for education on state-tribal issues as a means of breaking down the barriers that exist between Indians and non-Indians. He urged the Committee to visit reservations to observe the differences that exist between them and to work with the Montana-Wyoming Tribal Chairmans' Association.

State Agencies Give Reports...Kathleen Fleury, Coordinator of Indian Affairs, reported on the activities of her office and the initiatives of Governor Racicot in fostering positive state-tribal relations. She reported that the Governors' Interstate Indian Council will hold its annual meeting next September on the Flathead Reservation. She also commented on the appropriateness of the Committee holding its meeting this week as this was Native American Week in Montana.

Bea Lunda, Indian Child Welfare Specialist with the Department of Family Services (DFS), reported on the work of her office. DFS now has agreements with every reservation in Montana for the care of Indian children in need of protective services. Ms. Lunda stressed the need to address the high percentage of children in the foster care system who

PLEASE RETURN

are Indian, roughly 25 to 30 percent, and the need to develop more Indian adoptive homes. She expressed concern for urban Indian children in need of services but who are unable to receive them because of a lack of resources. Ms. Lunda also announced her retirement effective November 30 of this year. The Committee publicly thanked her for her untiring efforts on behalf of Indian children. Chairman Mickey Pablo cited Ms. Lunda for her work and offered her as an example of how the state and the tribes can work together effectively.

Judy Paynter, Principal Tax Administrator for the Department of Revenue, reported on the progress of tax negotiations with the various tribes. Currently, negotiations center on alcohol, cigarette, and gasoline taxes. In response to questions on the cigarette tax, Ms. Paynter responded that cigarette tax agreements are in place with all of the tribes except the Blackfeet and the Salish & Kootenai. The agreements are all based on a quota system. However, the Blackfeet wish to impose a cigarette tax, which would mean a tax-sharing agreement. Don Kittson, Blackfeet tribal attorney, stated that the sticking point in the Blackfeet negotiations is the desire by the Blackfeet Tribe to share some of the revenue generated by the sales of cigarettes to non-Indians on the reservation.

Janet Jessup, Administrator of the Gambling Control Division of the Department of Justice, reported on the gambling compacts with the various tribes. The state's position is to negotiate only on those Class III games that are legal in Montana and to negotiate conditions such as payoffs and number of machines per establishment. In the latter area, the negotiating team has deviated from state law in some agreements. Currently, the state has no agreements with the Blackfeet, the Salish & Kootenai, and the Fort Belknap Tribes. The Fort Belknap and the Blackfeet have filed suits against the State for failure to negotiate in good faith; the Salish & Kootenai plan to file suit soon. In the absence of a compact, no gambling can take place on a reservation, even gambling by non-Indian operators. The state is willing to negotiate interim agreements until a compact is concluded, but so far, none of the tribes has accepted this offer. Ms. Jessup reported that the Gambling Advisory Council will devote its November meeting to the issue of Indian gambling and invited the Committee members and staff to attend. Don Kittson, Blackfeet tribal attorney, provided the Committee with some background information on the Indian Gaming Regulatory Act, on pertinent court cases, on current attempts to amend the Act, and the Blackfeet Tribe's position on the compact negotiations.

Susan Cottingham, Program Manager for the Reserved Water Rights Compact Commission, provided the Committee with some background information on the Commission and its work. She stated that the Montana Commission is the only one of its kind in the nation and is looked to by other states as a model for handling reserved water rights. Compacts have been successfully negotiated with two reservations: Fort Peck and Northern Cheyenne. Both compacts require congressional

approval because they involve either a federal appropriation or a water marketing component. The Northern Cheyenne compact was approved in 1991; approval of the Fort Peck compact is being held up because of the controversy surrounding the management of the Missouri River. The Commission is in active negotiations with Rocky Boy's Reservation and has begun informal discussions with the Crow Tribe.

Committee Chooses Study Topics for Interim...The Committee spent the afternoon discussing Indian issues in general and how the Committee can positively impact those issues. The Committee members all agreed on the need for education and instructed staff to begin work on a state-tribal relations handbook. After a discussion of the budget, the Committee decided to hold two additional meetings, with the possibility of a third additional meeting. The Committee expressed its desire to meet on an Indian reservation. Rep. Gervais will send a letter to all the tribal chairman informing them of his election, asking their cooperation in the work of the Committee, and seeking an invitation to a reservation.

Committee to Meet in February...The Committee will meet again in early February. At that meeting, the topic will be economic development on the reservations: what the tribes are doing, what assistance is available from the state, what assistance is available from the federal government, and what other states are doing.

LEGISLATIVE COUNCIL

LEGAL DIVISION

Ballot Measures Received:

Note: pursuant to 13-27-202(2), MCA, copies of correspondence are available through the Secretary of State

"People to Approve all Taxation and Fee Increases"

"Taxation and Spending Restrictions"

Code Publication:

The 1993 Montana Code Annotated was shipped to subscribers on September 20. The compilation of the Index to the 1993 Montana Code Annotated is nearing completion and will be sent to the printer near the

middle of October. Subscribers should receive the new Index during late November.

Annotation:

Case notes have been completed for the backlog of Supreme Court decisions written during the period from the time bill drafting for the 1993 legislative session began until codification was complete. Subscribers can find out if new case notes have been written for a particular code section by calling the Legislative Council.

LIBRARY

All standing committee minutes from the 53rd Legislature are completed and have been received by the Legislative Council Library. The last sets are being converted to microfiche. The microfiche sets should be ready for distribution throughout the state by the end of October.

REVENUE OVERSIGHT COMMITTEE

Revenue Report...The Revenue Oversight Committee met September 17 in the State Capitol. Terry Johnson, Office of the Legislative Fiscal Analyst, presented a report on the preliminary FY93 ending fund balances of the state general fund and the school equalization account. Of particular interest to the Committee were items that may affect revenue during the 1995 biennium. The completion of the property reappraisal cycle has resulted in an increase of statewide taxable value of \$45.4 million in FY94 and an estimated increase of \$46.1 million in FY95. Applying the university mill levy and the school equalization levies to the increased valuation will raise a little over \$9 million more than was anticipated under House Joint Resolution No. 3 (the revenue estimating resolution adopted by the 1993 Legislature). This amount, however, may not be realized if the Governor's Advisory Council on Property Ownership recommends significant changes to the property tax system and if the Legislature were to enact those recommendations. The Advisory Council expects to make recommendations at the end of October.

On the negative side, the state may lose up to \$6.5 million if railroad car companies are successful in challenging the new tax on railroad cars. During the July 1992 special session, the Legislature repealed the freight line company tax and imposed a statewide property tax on railroad car companies.

These changes in revenue are relatively insignificant when compared to the likely suspension of House Bill No. 671 (\$72 million for the

biennium) and a potential refund of \$14 million plus interest to federal retirees as a result of the Department of Revenue's response to the U.S. Supreme Court decision in Harper v. Virginia. The Department has refunded approximately \$6 million to federal retirees for the 1988 tax year. The Department of Revenue asserts, however, that refunds for prior tax years are not required, because the state had an appropriate predeprivation remedy as required in Harper.

Attorney General's Opinion Requested...Dave Bohyer, Research Director of the Legislative Council, presented a report to the Committee that analyzed some of the potential administrative ramifications of the referendum on House Bill No. 671. Depending on the outcome of the election on the new income tax law, Montana taxpayers could pay income taxes during the next two years at erroneous rates. As a result, every taxpayer in the state may have to file an amended return to receive a refund or to pay additional taxes. The administrative problems for the Department of Revenue would be enormous. The report also included some options for legislative consideration. One option would have been to delay the effective date of the new law until January of 1994 or 1995. That option appears moot because there are apparently enough petition signatures to suspend the law. Other options would be to repeal House Bill No. 671 and enact a similar measure at the same rate (thus breaking faith with the citizens' group whose efforts have placed the new law on the ballot) or at a lower rate (thus addressing the concern about increased taxes). Another option included requiring taxpayers to file 1993 and 1994 tax returns with sufficient information to calculate taxes under HB 671 law or pre-HB 671 law.

Committee discussion of the report indicated uncertainty regarding the legal and administrative implications of the referendum and the effects of legislative action. In order to resolve that uncertainty, the Committee voted to request that the Speaker of the House or the President of the Senate, or both, request an Attorney General's opinion on the issues raised in Mr. Bohyer's report. Whether a request will be made or an opinion issued is not certain.

Tax Expenditure Study...House Joint Resolution No. 30, passed by the 1993 Legislature, requested the Revenue Oversight Committee to study tax expenditures as they relate to the state's budgeting process. The Department of Revenue has issued three tax expenditure reports since 1989. Those reports contain estimated tax expenditures for the individual and corporate income taxes, property taxes, and natural resource taxes. Staff presented a report to the Committee that evaluated the information contained in the tax expenditure reports. The report showed that the individual income tax has accounted for well over 90% of the measurable tax expenditures in Montana. Most individual income tax expenditures are "passive" in nature because Montana law conforms with federal income tax law. Corporation license tax expenditures account for less than 4%

of all tax expenditures. Natural resource tax expenditures and property tax expenditures are relatively insignificant. However, the estimates for property tax expenditures do not fully account for all property that is exempt from taxation.

Other Topics...Other Committee business included a discussion of a proposed Department rule dealing with the confidentiality of taxpayer information. Committee discussion and questions directed to Department staff indicated a certain level of dissatisfaction with the proposed rules. The Department of Revenue also presented reports on the progress of tribal tax negotiations, on the activities of the Advisory Council on Property Ownership, and on the status of certain litigation.

SUBCOMMITTEE ON INSURANCE ISSUES

Subcommittee Holds First Meeting...On Wednesday, September 22, the Joint Interim Subcommittee on Insurance Issues met for the first time. Senator Del Gage was elected chairman and Rep. Bill Ryan was elected vice-chairman.

Subcommittee Hears from State Agencies...The Subcommittee heard presentations by two agencies of state government that deal primarily with insurance-related issues. Brett Dahl, Administrator of the Risk Management and Tort Defense Division of the Department of Administration, reported that his Division is charged with administering the self-insurance and commercial insurance programs for state government and defending state agencies against tort claims. In more recent times, the Division has begun a risk management program in order to reduce liability exposure. Mr. Dahl stated that the Division is concerned with two issues before the Subcommittee: caps on damage awards and immunity for quasi-judicial state boards.

Mark O'Keefe, Commissioner of Insurance, reported on the duties of his office in the regulation of insurance. He stated that the policy of his office is to provide fair regulation for insurers and a level playing field for insurers and consumers alike. The Insurance Department held a series of open houses last spring to ask insurers and consumers how the Department could provide better services. Some of the suggestions included better consumer education, information on how complaints are handled, assistance for insurance agents in complying with the law, and the electronic licensing of agents. The Department is currently attempting to implement these requests within the limits of their financial resources. Commissioner O'Keefe cautioned the Subcommittee that increased regulations are useless unless accompanied by the financial resources to enforce them. The same is true for increasing penalties for violations.

He advocated the retention by his office of some of the license fees in order to increase enforcement without any additional FTE. He offered the services of his office to the Subcommittee to assist in the study.

Subcommittee Defers Adoption of Study Plan...The Subcommittee reviewed the proposed study plan and deferred adoption until the next meeting. The Subcommittee requested an educational meeting on insurance issues, including definition of insurance-related terms and concepts, an overview of past tort reforms and their effectiveness, current status of Montana laws relating to torts, and a review of the legislation which prompted the resolution creating this study. The next meeting is scheduled for Friday, December 10 in Room 104 of the Capitol.

WATER POLICY COMMITTEE

Meeting on September 13...The Water Policy Committee (WPC) met on Monday, September 13. The meeting was held in Missoula at the Holiday Inn.

Upper Clark Fork Basin Steering Committee...Members of the Upper Clark Fork Basin Steering Committee updated the Committee on their progress in developing a comprehensive basin management plan. The Steering Committee is required to complete the plan and report to the Governor and the full Legislature by December 31, 1994.

Instream Flow...The Committee adopted a work plan for its instream flow interim study. The purpose of the study is to allow the Committee, other legislators, and the broader public to explore relevant instream flow issues. The Committee will form a working group to analyze selected instream flow issues.

Budget Reductions...Water Court Chief Judge Bruce Loble and Department of Natural Resources and Conservation personnel reported to the Committee on the impacts of proposed budget reductions on water related activities.

Other Items...Other agenda items included updates on the joint EQC/WPC water quality nondegradation study, wilderness dams, and a progress report on filling the Water Resources Center Director's position.

Public Hearing...On Monday evening, the Committee continued its study of late claims issues, mandated by SB 310, with a public hearing regarding potential additional forfeiture remission for late water claim filers. The Committee heard from various water users, who have late claims,

regarding their perspective on providing additional forfeiture remission. The Committee will again hold a public hearing regarding this issue in conjunction with its next regularly scheduled meeting.

Next Meeting... The next Committee meeting is scheduled for Monday, October 25 in Room 312-2 of the State Capitol. Agenda items include a continuation of the instream flow study; updates on the state water plan, water research, and water data management; and a report on the joint EQC/WPC water quality nondegradation study. Finally, the Committee will hold another public hearing regarding the SB 310 late claims study, beginning Monday evening at 7:00 p.m. in Room 312-2.

For an agenda or more information on these issues, please contact the EQC staff at 444-3742.

ENVIRONMENTAL QUALITY COUNCIL

September Meeting... The Environmental Quality Council (EQC) met on Friday, September 17 in Room 108 of the State Capitol.

SJR 34 Hazardous Waste Study... The EQC adopted three recommendations made by the Hazardous Waste Management Working Group (HWMWG) for the SJR 34 hazardous waste study. Those recommendations are to:

- (1) analyze the status and adequacy of the state hazardous waste regulatory framework, standards, implementation, and resources, including but not limited to:
 - (a) state involvement with conditionally exempt generators, and
 - (b) siting criteria for hazardous waste facilities;
- (2) evaluate the state's role in hazardous waste prevention, including household hazardous waste; and
- (3) complete the study using a consensus-based process similar to that used by the working group.

In addition, the EQC should seek ways to involve a broader array of people in the study. The next HWMWG meeting is tentatively scheduled for Thursday, October 28.

Water Quality Nondegradation... The EQC accepted and adopted the recommendations made by the joint EQC/WPC SJR 29 Nondegradation Subcommittee regarding the scope, goals, and framework of the

nondegradation study, as well as recommendations to ensure maximum public involvement. The Subcommittee also reported on its series of July public meetings. At the next EQC meeting, the Subcommittee will continue the nondegradation study with a panel discussion before the full Council, regarding the definition of "nonsignificant activities" in administrative rules. After analyzing the discussion, the Subcommittee will report back to the full Council with recommendations regarding the issue. For a copy of the Subcommittee recommendations or more information on this issue, please contact EQC staff.

Other Items...Other agenda items included updates on MEPA implementation, residential energy efficiency issues, the draft integrated solid waste management plan, the Water Resources Coordinating Committee, and state office building electromagnetic fields. The Council also heard concerns regarding water quality in Pondera County.

Next Meeting...The next EQC meeting is scheduled for Thursday and Friday, October 28 and 29. The Council will begin its meeting Thursday morning, October 28, in Room 104 with the SJR 29 Nondegradation Study panel discussion. The Nondegradation Subcommittee and the Hazardous Waste Management Working Group will meet on Thursday afternoon in Rooms 104 and 108, respectively. The full Council will continue its meeting on Friday morning, October 29 in Room 312-2, receiving reports and recommendations from both groups. All rooms are in the Capitol building.

Other agenda items include a discussion of the federal "Superfund" reauthorization process, transportation energy policy development, and an update on reauthorization of the federal Clean Water Act.

For more information on these issues, please contact the EQC staff at 444-3742.

LEGISLATIVE AUDITOR

Auditor Implements Reductions in Staff Resources...The Legislative Auditor's Office has taken various administrative actions in response to FY 1993-94 appropriations. A reduction in available staff resources impacts the audit schedule, state agencies, and individual legislators. Every effort will be made to maintain audit priorities established by federal and state law. Top priority will be given to meeting the statutory and federal audit requirements and schedules. Audits required by bonding agencies and rating organizations will also receive high priority. Other

work areas, such as individual legislative requests, may have to be limited further.

LEGISLATIVE FINANCE COMMITTEE

Committee Meets in September...The Legislative Finance Committee (LFC) met in Helena on September 9 to hear a number of reports and to select a replacement for departing Legislative Fiscal Analyst Teresa Olcott Cohea.

Budget Amendments...The Committee reviewed 36 budget amendment requests, adding \$4.3 million spending authority and 8.94 FTE, and voted that all of the requests met the statutory criteria. The budget amendments include \$0.4 million state special, \$3.5 million federal, and \$0.4 million proprietary fund spending authority. To date this biennium, the total budget amendments for the 1995 biennium reviewed by the Committee plus those approved in House Bill No. 4 in the 1993 session are \$6.8 million and 10.52 FTE.

Committee Hears University Restructuring Plan...Dr. Jeff Baker, Acting Commissioner of Higher Education, reviewed the restructuring plan for the Montana University System that he planned to present to the Board of Regents for their consideration at their September 23-24 meeting. He responded to several questions and comments from the Committee regarding the plan.

SB 378 Workplan Adopted - The LFA staff presented for Committee review a workplan for completing the study required in Senate Bill No. 378 of earmarked (state special revenue) accounts and statutory appropriations. The Committee adopted the workplan and voted to appoint a subcommittee to conduct the SB 378 study. Chairman Tom Nelson appointed the following members to the SB 378 Subcommittee: Senator Charles Swysgood, Senator Judy Jacobson, Representative Tom Zook, and Representative Frances Bardanoue. Senator Lorents Grosfield, primary sponsor of SB 378, was appointed as an ex-officio member of the subcommittee. The subcommittee is asked to establish a system of review and evaluation of revenue dedication provisions to ensure that provisions for revenue dedication are:

- (1) based on sound principles of revenue dedication;
- (2) reflect present circumstances and legislative priorities for state spending; and,
- (3) are terminated when they are no longer necessary.

The subcommittee will review the approximately 360 state special revenue accounts and 95 statutory appropriations and provide recommendations to the Legislative Finance Committee regarding those provisions. The subcommittee will meet prior to each LFC meeting throughout the interim.

Staff Provides General Fund/SEA Fund Balance Update...The Committee heard a report on the preliminary FY 1993 ending fund balance for the general fund and the school equalization aid (SEA) accounts. Based on House Joint Resolution 3 (HJR 3) revenue estimates and disbursement budgets adopted by the Legislature, the general fund/SEA balance was forecast to be \$38.3 million by the end of fiscal 1993, with revenues exceeding disbursements by approximately \$11.3 million for the fiscal year. The actual ending balance was \$57.1 million, or \$18.8 million above the total anticipated by the 53rd Legislature. Revenue collections were \$11.1 million (1.2 percent) above the estimated amount, with the most significant differences from estimates occurring in corporation income tax, railroad car tax, inheritance tax, property tax, and lottery revenue. Reversions were \$11.2 million, or \$7.7 million more than budgeted by the 53rd Legislature.

For the 1995 biennium, the general fund/SEA account ending fund balance is projected to be \$35.1 million, or \$10.5 million higher than projected following the 1993 legislative session. Although the fiscal 1993 ending fund balance was \$18.8 million higher than anticipated, other developments will impact the ending balance. Revenues in the 1995 biennium are expected to be a net \$2.3 million higher as a result of higher property tax collections that are partially offset by reduced revenues due to railroad car tax litigation. Expenditures are projected to be \$10.6 million higher than anticipated as a result of higher district court reimbursements, income tax refunds to federal retirees, and insurance tax refunds.

Committee Hears Executive Budget Presentation...Budget Director Dave Lewis presented a summary of the executive budget proposal for a potential special session "if the tax increases in HB 671 are repealed either by the Legislature or by the voters..."

The executive proposal anticipates \$14 million higher revenues and \$17 million lower expenditures than those anticipated in revised legislative projections. These projections result in a projected fund balance of \$66 million, as compared to \$35 million using legislative estimates, before special session changes. In addition to an expected loss of \$72.6 million from the suspension of HB 671, the proposal anticipates that income tax refunds of \$20 million are returned to the federal retirees and spending and other changes are adopted in special session, reducing the total budget by \$53.4 million and resulting in an ending fund balance of \$26.8 million. The proposed executive budget adjustments include:

- (1) \$12.0 million or 22.3 percent in higher education;

- (2) \$13.0 million or 24.2 percent in K-12 education;
- (3) \$12.2 million or 22.6 percent in human services;
- (4) \$13.9 million or 25.8 percent in other agencies; and
- (5) \$2.8 million or 5.1 percent in statutory appropriation reductions.

When the proposed budget balancers are categorized by types of reductions, they include:

- (1) \$32 million in state agency reductions;
- (2) \$6.7 million in revenue increases/reallocations;
- (3) \$12.4 million in reductions in local government/school support; and
- (4) \$2.7 million in funding switches.

Approximately \$17 million or 32 percent of the reductions are one-time.

Clayton Schenck Selected as Interim Legislative Fiscal Analyst...The Committee voted at the September 9 meeting to fill the position of Legislative Fiscal Analyst on an interim basis. After interviewing applicants, Clayton Schenck was selected Legislative Fiscal Analyst for the period from September 10, 1993, through June 30, 1994. The Committee will make a decision on a permanent selection for the position at the end of the interim period. Mr. Schenck has served as a senior analyst on the LFA staff for nearly eight years and has a Masters of Business Administration in Financial Management.

THE BACK PAGE

Since the publication of "A Nation at Risk" in 1983, educational reform has been at the forefront of the nation's and the states' policy agendas. National educational goals have been established for America's schools. States are designing reform programs in order to implement these goals and to prepare young people for life and work in the 21st century. Reform efforts have focused on such areas as school administration, teacher education, student assessment, school finance, and parental choice.

At a recent seminar at Harvard University, the focus was on reform through legislation. Andrea Merrill of the Legislative Council staff attended the seminar and offers this report.

BETTER EDUCATION THROUGH INFORMED LEGISLATION

by Andrea Merrill

From September 9 through 12, four Montana legislators joined the nation's college students by returning to campus for "graduate" work. The campus was the Graduate School of Education at Harvard University in Boston, Massachusetts, and the topic of the intensive "institute" was "Better Education through Informed Legislation". The National Conference of State Legislatures selected Montana as one of 13 state recipients of a grant to attend the institute and to receive follow-up technical assistance in the area of systemic reform of state school systems. Legislative leadership appointed Representative Sonny Hansen, Representative Bea McCarthy, Senator Mignon Waterman, and Senator Bob Brown and invited Governor Racicot and Superintendent Keenan to appoint representatives to attend the institute. Pat Haffey, Education Policy Advisor to the Governor and Paula Butterfield, Superintendent of the Bozeman Schools represented the governor and the superintendent, respectively. Thanks to the efforts of Senator Waterman, two Montana school/business partnership groups in Montana, The Competitiveness Council and Leadership in Education for Economic Development, offered to contribute to the cost of attendance for Andrea Merrill, Legislative Council staff person.

The institute focused on the fundamental elements of systemic reform of public schools and the legislative role in designing comprehensive reforms. After a decade of studies and experimentation to correct the perception that the public school system was "at-risk" of failing the nation, there is concentration on an overall "package" of vital reforms, now backed by research and successes. It was rewarding to hear the story of "what works" and "what needs to be done next" from such nationally-recognized education researchers and writers as Mary Fulton, Education Commission

of the States, Richard Elmore and Susan Johnson, Harvard University, Jennifer O'Day, Stanford University, and Ted Kolderie, Minnesota Center for Policy Studies. Mr. Kolderie is a key designer and tracker of the school choice and charter school movement. Of special note were the comments of Susan Fuhrman, Director of the Policy Center of Rutgers University, who stressed the following challenges for state legislatures:

- to build lasting partnerships with other state officials, educators, parents, and the business community for designing and tracking systemic reforms;
- to "stay out of the way" and to remove regulatory obstacles where appropriate in order to balance top-down and bottom-up leadership for change;
- to respect what research shows and educators know about what works;
- to invest in building the talent and capacity for change by supporting teacher, administrator, and school board development and encouraging state education office leadership;
- to build in realistic assessments (student portfolios and tests that measure complicated learning, not SAT scores);
- to monitor the progress of reforms over time by the use of partnerships or standing committees; and
- to commit to sustaining reform beyond electoral cycles.

The institute was designed to allow the state delegations time each day to reflect on the status of education reform in their state and what essential steps should be charted. The Montana delegation noted that Project Excellence, the 1988-89 redesign of school and learner expectations, may have enjoyed more public and legislative support and may have made a noticeable difference to student successes had the project not suffered implementation set-backs because of concurrent state and school funding problems. Delegates discussed the difficulties in supporting the fiscal parts of Project Excellence when the public thinks we have too many school districts.

When asked to set three urgent policy changes for Montana, the delegation focused on the following:

- ways to recapture public support for education by reducing the cost of schooling through district unification and the use of distance learning and other technologies;

- promoting student preparation for the world of work in partnership with the state's business community; and
- supporting teacher education and development by supporting excellence in the state university system.

The delegation expressed interest in using the technical assistance offered by NCSL to collaborate with other education and business interests on a learning/sharing/envisioning conference for spring 1994.

The delegation returned to Montana armed with information on all areas of reform, from assessment to site-based management. Anyone interested in learning more about the institute or about the reform measures discussed there, please contact Andrea Merrill at the Legislative Council, 444-3064.



INTERIM CALENDAR

**October 1, Committee on Postsecondary Education
Policy & Budget, Room 104, 9:00 a.m.**

October 11, Columbus Day holiday, observed

October 22, Subcommittee on Veterans' Needs, Room 104, 9:00 a.m.

October 25, Water Policy Committee, Room 312-2

October 28, Environmental Quality Council, Room 104

October 29, Environmental Quality Council, Room 312-2

**October 29, Committee on Workers' Compensation Alternatives, Room
104, 10:00 a.m.**

**October 29, Committee on Children and Families, Room 108, 9:00
a.m.**

November 11, Veterans' Day, holiday

November 19, Revenue Oversight Committee, Room 104

November 25, Thanksgiving Day, holiday

December 10, Subcommittee on Insurance Issues, Room 104

December 24, Christmas Eve, holiday



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